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UNITED STATES DISTRICT COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN JOSE DIVISION

SECURITIES AND EXCHANGE  
COMMISSION,

Plaintiff,

vs.

SMALL BUSINESS CAPITAL CORP.;  
MARK FEATHERS; INVESTORS  
PRIME FUND, LLC; and SBC  
PORTFOLIO FUND, LLC,

Defendants.

Case No. 5:12-CV-03237-EJD

**[PROPOSED] FINAL JUDGMENT AS  
TO DEFENDANTS SMALL  
BUSINESS CAPITAL CORP.,  
INVESTORS PRIME FUND, LLC,  
AND SBC PORTFOLIO FUND, LLC**

1 The Securities and Exchange Commission (“SEC”) having filed a Complaint,  
 2 and Defendants Small Business Capital Corp., Investors Prime Fund, LLC, and SBC  
 3 Portfolio Fund, LLC (collectively “Defendants”), having entered a general  
 4 appearance; consented to the Court’s jurisdiction over Defendants and the subject  
 5 matter of this action; consented to entry of this Final Judgment without admitting or  
 6 denying the allegations of the Complaint (except as to jurisdiction), waived findings  
 7 of fact and conclusions of law; and waived any right to appeal from this Final  
 8 Judgment.

9 **I.**

10 IT IS HEREBY ORDERED, ADJUDGED, AND DECREED that Defendants  
 11 are permanently restrained and enjoined from violating, directly or indirectly, Section  
 12 10(b) of the Securities Exchange Act of 1934 (the “Exchange Act”), 15 U.S.C. §  
 13 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5, by using any  
 14 means or instrumentality of interstate commerce, or of the mails, or of any facility of  
 15 any national securities exchange, in connection with the purchase or sale of any  
 16 security:

- 17 (a) to employ any device, scheme, or artifice to defraud;
- 18 (b) to make any untrue statement of a material fact or to omit to state a  
 19 material fact necessary in order to make the statements made, in the light  
 20 of the circumstances under which they were made, not misleading; or
- 21 (c) to engage in any act, practice, or course of business which operates or  
 22 would operate as a fraud or deceit upon any person.

23 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as  
 24 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also  
 25 binds the following who receive actual notice of this Final Judgment by personal  
 26 service or otherwise: (a) Defendants’ officers, agents, servants, employees, and  
 27 attorneys; and (b) other persons in active concert or participation with Defendants or  
 28 with anyone described in (a).

**II.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants are permanently restrained and enjoined from violating Section 17(a) of the Securities Act of 1933 ("Securities Act"), 15 U.S.C. § 77q(a), in the offer or sale of any security by the use of any means or instruments of transportation or communication in interstate commerce or by use of the mails, directly or indirectly:

- (a) to employ any device, scheme, or artifice to defraud;
- (b) to obtain money or property by means of any untrue statement of a material fact or any omission of a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; or
- (c) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon the purchaser.

IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also binds the following who receive actual notice of this Final Judgment by personal service or otherwise: (a) Defendants' officers, agents, servants, employees, and attorneys; and (b) other persons in active concert or participation with Defendants or with anyone described in (a).

**III.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendant Small Business Capital Corp. is permanently restrained and enjoined from violating Section 15(a) of the Exchange Act, 15 U.S.C § 78o(a), by making use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any security, without being registered as a broker or dealer in accordance with Section 15(b) of the Exchange Act, 15 U.S.C. § 78o(b).

1 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as  
 2 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also  
 3 binds the following who receive actual notice of this Final Judgment by personal  
 4 service or otherwise: (a) Defendant's officers, agents, servants, employees, and  
 5 attorneys; and (b) other persons in active concert or participation with Defendant or  
 6 with anyone described in (a).

#### 7 IV.

8 IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that  
 9 Defendant Small Business Capital Corp. is permanently restrained and enjoined from,  
 10 directly or indirectly, controlling any person who violates Section 10(b) of the  
 11 Exchange Act, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R.  
 12 § 240.10b-5, by knowingly or recklessly providing substantial assistance to an issuer  
 13 that uses any means or instrumentality of interstate commerce, or of the mails, or of  
 14 any facility of any national securities exchange, in connection with the purchase or  
 15 sale of any security:

- 16 (a) to employ any device, scheme, or artifice to defraud;
- 17 (b) to make any untrue statement of a material fact or to omit to state a  
 18 material fact necessary in order to make the statements made, in the light  
 19 of the circumstances under which they were made, not misleading; or
- 20 (c) to engage in any act, practice, or course of business which operates or  
 21 would operate as a fraud or deceit upon any person.

22 IT IS FURTHER ORDERED, ADJUDGED, AND DECREED that, as  
 23 provided in Federal Rule of Civil Procedure 65(d)(2), the foregoing paragraph also  
 24 binds the following who receive actual notice of this Final Judgment by personal  
 25 service or otherwise: (a) Defendant's officers, agents, servants, employees, and  
 26 attorneys; and (b) other persons in active concert or participation with Defendant or  
 27 with anyone described in (a).

**V.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that Defendants shall pay disgorgement of \$40,650,108, which disgorgement amount is deemed satisfied by the distributions made by the Receiver to the investors in this proceeding.

**VI.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the SEC is has determined to forego seeking a civil penalty against Defendants.

**VII.**

IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that the Consent is incorporated herein with the same force and effect as if fully set forth herein, and that Defendants shall comply with all of the undertakings and agreements set forth therein.

**VIII.**

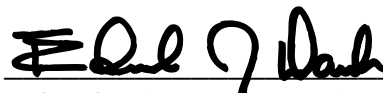
IT IS HEREBY FURTHER ORDERED, ADJUDGED, AND DECREED that this Court shall retain jurisdiction of this matter for the purposes of enforcing the terms of this Final Judgment.

**IX.**

There being no just reason for delay, pursuant to Rule 54(b) of the Federal Rules of Civil Procedure, the Clerk is ordered to enter this Final Judgment forthwith and without further notice.

The Clerk shall close this file.

Dated: 2/16/2016



HONORABLE EDWARD J. DAVILA  
UNITED STATES DISTRICT JUDGE

**PROOF OF SERVICE**

I am over the age of 18 years and not a party to this action. My business address is:

[X] U.S. SECURITIES AND EXCHANGE COMMISSION, 444 S. Flower Street,  
Suite 900, Los Angeles, California 90071  
Telephone No. (323) 965-3998; Facsimile No. (323) 965-3908.

On February 11, 2016 I caused to be served the document entitled **[PROPOSED] FINAL JUDGMENT AS TO DEFENDANTS SMALL BUSINESS CAPITAL CORP., INVESTORS PRIME FUND, LLC, AND SBC PORTFOLIO FUND, LLC** on all the parties to this action addressed as stated on the attached service list:

[ ] **OFFICE MAIL:** By placing in sealed envelope(s), which I placed for collection and mailing today following ordinary business practices. I am readily familiar with this agency's practice for collection and processing of correspondence for mailing; such correspondence would be deposited with the U.S. Postal Service on the same day in the ordinary course of business.

[ ] **PERSONAL DEPOSIT IN MAIL:** By placing in sealed envelope(s), which I personally deposited with the U.S. Postal Service. Each such envelope was deposited with the U.S. Postal Service at Los Angeles, California, with first class postage thereon fully prepaid.

[ ] **EXPRESS U.S. MAIL:** Each such envelope was deposited in a facility regularly maintained at the U.S. Postal Service for receipt of Express Mail at Los Angeles, California, with Express Mail postage paid.

[ ] **HAND DELIVERY:** I caused to be hand delivered each such envelope to the office of the addressee as stated on the attached service list.

[X] **UNITED PARCEL SERVICE:** By placing in sealed envelope(s) designated by United Parcel Service ("UPS") with delivery fees paid or provided for, which I deposited in a facility regularly maintained by UPS or delivered to a UPS courier, at Los Angeles, California.

[X] **ELECTRONIC MAIL:** By transmitting the document by electronic mail to the electronic mail address as stated on the attached service list.

[X] **E-FILING:** By causing the document to be electronically filed via the Court's CM/ECF system, which effects electronic service on counsel who are registered with the CM/ECF system.

[ ] **FAX:** By transmitting the document by facsimile transmission. The transmission was reported as complete and without error.

I declare under penalty of perjury that the foregoing is true and correct.

Date: February 11, 2016

/s/Sarah Mitchell  
Sarah Mitchell

**SEC v. SMALL BUSINESS CAPITAL CORP, et al.**  
**United States District Court – Northern District of California**  
**San Jose Division**  
**Case No. 5:12-CV-03237-EJD**  
**LA-4141**

**SERVICE LIST**

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***Attorney for Receiver Thomas Seaman over Defendants Small  
Business Capital Corp.; Investors Prime Fund, LLC; And SBC  
Portfolio Fund, LLC***